

COMMITTEE ON GOVERNMENT REFORM

TOM DAVIS, CHAIRMAN



MEDIA ADVISORY

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Davis To Examine Contracting For Disasters

How Can We Do Better? What Challenges Remain?

What: Government Reform Committee Oversight Hearing,
“Sifting Through Katrina’s Legal Debris:
Contracting in the Eye of the Storm”

When: THURSDAY, May 4, 2006, 10:00 A.M.
(Hearing follows Committee business meeting)

Where: ROOM 2154, RAYBURN HOUSE OFFICE BUILDING

Background: Hurricane Katrina’s Category IV winds and torrential rains created the most damaging storm in United States history. After landfall, humanitarian needs were massive. By September 9, Congress had approved more than \$63 billion for disaster relief. Ultimately, recovery expenses may top \$200 billion.

The circumstances and urgent needs created by Katrina provided an unprecedented opportunity for fraud and mismanagement, which is why Congress’s initial outlay included \$25 million for the Department of Homeland Security Inspector General to oversee the management and expenditure of the funds.

In the face of Katrina’s massive destruction, acquisition personnel acted to meet pressing humanitarian needs, contracting with firms in an effort to provide immediate relief to survivors and to protect life and property. Many of these firms were called into action on a sole-source basis under acquisition provisions that allow the government to acquire urgently needed goods and services in emergency situations. Notwithstanding the extraordinary scope of the disaster, and contrary to many media reports, a portion of the immediate response efforts were provided through existing

contracts that had been previously awarded through full and open competition.

Chairman Davis and the Committee will review agencies' roles in contracting for goods and services in relation to preparedness and response to the Katrina disaster. The Committee is interested in the pre-disaster acquisition planning, the initial acquisition response to the need for immediate relief, and the efforts to respond to more long-term recovery support. In this context, the adequacy of the existing acquisition workforce to provide the needed contract management and support will be examined. Finally, the Committee will review lessons learned and suggestions for improvements for our response to future disasters. This review will include the adequacy of the contracts awarded prior to Katrina, if any, and thereafter, the types of contracts used, the terms of these contracts including size and scope, and the use of set asides, including local contractor participation under the Stafford Act.

Witnesses include the federal contracting officials as well as watchdogs such as the Government Accountability Office and DHS Inspector General, who will provide an overview of their ongoing oversight work.

In addition, the Committee will hear from four firms whose work can highlight particular contracting issues surrounding response and recovery requirements. AshBritt is a national firm providing debris removal services; AmeriCold Logistics contracted to provide ice; FedBid provides reverse auction services; and Necaise Brothers is a small, local contractor.

Witnesses:

Panel I

William Woods, Director, Acquisition and Sourcing Management, U.S. Government Accountability Office

Matt Jadacki, Special Inspector General, Gulf Coast Hurricane Recovery, U.S. Department of Homeland Security, Inspector General

Emily Murphy, Chief Acquisition Office, U.S. General Service Administration

Major General Don Riley, Director of Civil Works, U.S. Army Corps of Engineers

Elaine Duke, Chief Procurement Officer, U.S. Department of Homeland Security

Deidre Lee, Deputy Director of Operations, Federal Emergency Management Agency, U.S. Department of Homeland Security

Panel II

Randall Perkins, President, AshBritt, Inc.

George Schnug, CEO, AmeriCold Logistics, Inc.

Neal Fox, Member, Board of Advisors, FedBid, Inc.

James Necaise, Vice President, Necaise Brothers Construction